

Fiscal Services Division Legislative Services Agency Fiscal Note

HF 2523 - Health Effects Regulation (LSB 6597 HV.1)

Analyst: Debra Kozel (Phone: (515) 281-6767) (deb.kozel@legis.state.ia.us)

Fiscal Note Version – As Amended and Passed by the House

Description

House File 2523, as amended and passed by the House, makes changes to air quality regulations related to animal feeding operations. Some of the changes include:

- Specifies that the Department of Natural Resources cannot adopt rules regulating air contaminants that exceed the standards of the federal Environmental Protection Agency (EPA).
- Specifies that a Department standard cannot be enforced if the data is not collected as outlined in the Bill.
- Creates a Health Effects Advisory Panel that will advise the Department of Natural Resources and the General Assembly about the health effects related to odor emitted from animal feeding operations. The Panel will submit a final report with recommendations to the General Assembly. The Department of Natural Resources, based on the Panel's recommendations, will establish standards.
- The Environmental Protection Commission cannot adopt a rule related to the health effect level for odor until the Advisory Panel submits the final report and a health effects level for odor is enacted.
- Department standards must be based on a health effect level for odor.
- The Department of Natural Resources must conduct a comprehensive field study of airborne pollutants for a period of at least three years.
- Violators will receive a written notice from the Department of Natural Resources and must reduce emissions during a one-year grace period.

House File 2523, as amended by the House, makes the following changes:

- Redefines the membership of the Advisory Panel.
- Specifies the final report of the Health Effects Advisory Panel should be submitted to the General Assembly by December 31, 2006.
- Allows the DNR to use valid data collected in a previous air quality study.
- Specifies there must be at least five sites monitoring air quality for each type of animal production and for each type of manure storage treatment system. The monitored sites are to be located at different geographic locations around the State.

Assumptions

1. The Department estimates that 70 monitored sites will be needed to meet the five sites for each type of animal production or manure storage system. The following table summarizes the 70 sites:

Summary of Monitored Sites

Animal Production	Number of Structures	Number of Systems	Number of Monitors	Multiplied by 5 Locations
Hogs	3	2	6	30
Dairy	1	2	2	10
Beef	1	2	2	10
Poultry	2	2	4	20
Total	7	8	14	70

2. The cost of one hydrogen sulfide and ammonia monitor is \$60,000 and 70 sites will be monitored. Total monitoring equipment costs are estimated at \$4.2 million. Currently, air monitoring expenditures are \$500,000 per year.
3. Salaries and support for one monitored site is estimated at \$15,000 per year. For 70 sites the total cost is \$1.1 million. Currently, expenditures for salaries are \$150,000 for FY 2005 and \$200,000 for FY 2006.
4. The following table summarizes the change in costs related to HF 2523 as amended by the House:

House File 2523 As Amended - Changes in Expenditures

Description	Current Law FY 2005	Proposed FY 2005	Difference	Current Law FY 2006	Proposed FY 2006	Difference
Equipment	\$ 500,000	\$ 4,200,000	\$ 3,700,000	\$ 500,000	\$ 0	\$ (500,000)
Salaries & Support	150,000	1,050,000	900,000	200,000	1,050,000	850,000
Total Costs	<u>\$ 650,000</u>	<u>\$ 5,250,000</u>	<u>\$ 4,600,000</u>	<u>\$ 700,000</u>	<u>\$ 1,050,000</u>	<u>\$ 350,000</u>

Fiscal Impact

The estimated fiscal impact of HF 2523, as amended and passed by the House, is an increase in expenditures of \$4.6 million for FY 2005 and \$350,000 for FY 2006 to the Department of Natural Resources. The increased expenditures would be funded from the Environment First Fund.

Source

Department of Natural Resources

Dennis C Prouty

March 31, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
